CHECKLIST ENVIRONMENTAL ASSESSMENT

Project Name:	Denbury D-2
Proposed Implementation Date:	2014-2015
Proponent:	Denbury Onshore
Location:	T15N-R54E-Sec 16 (Minerals Only)
County:	Dawson County

I. TYPE AND PURPOSE OF ACTION

The proponent has requested to reopen the existing Denbury D-2 well that has been shut in and return it to producing status. This section includes private surface ownership with state owned minerals. This project will utilize the existing pad site and road.

II. PROJECT DEVELOPMENT

1. PUBLIC INVOLVEMENT, AGENCIES, GROUPS OR INDIVIDUALS CONTACTED:

Provide a brief chronology of the scoping and ongoing involvement for this project.

The proponent has completed the proper applications to reopen the well site and return it to operational producing status. The field review of the project has been completed on October 16th, 2014 by the ELO field staff. The target time frame for the project to start is in Winter of 2014-2015.

2. OTHER GOVERNMENTAL AGENCIES WITH JURISDICTION, LIST OF PERMITS NEEDED:

None

3. ALTERNATIVES CONSIDERED:

Alternative A- Grant the proponent permission to reopen the existing well and return it to producing status
Alternative B- No Action

III. IMPACTS ON THE PHYSICAL ENVIRONMENT

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

4. GEOLOGY AND SOIL QUALITY, STABILITY AND MOISTURE:

Consider the presence of fragile, compactable or unstable soils. Identify unusual geologic features. Specify any special reclamation considerations. Identify any cumulative impacts to soils.

Alternative A- Minimal soil disturbance is expected as the existing pad site will be used once the well is returned to producing status

Alternative B- No Impact.

5. WATER QUALITY, QUANTITY AND DISTRIBUTION:

Identify important surface or groundwater resources. Consider the potential for violation of ambient water quality standards, drinking water maximum contaminant levels, or degradation of water quality. Identify cumulative effects to water resources.

Alternative A- No Significant Impact

Alternative B- No Impact

6. AIR QUALITY:

What pollutants or particulate would be produced? Identify air quality regulations or zones (e.g. Class I air shed) the project would influence. Identify cumulative effects to air quality.

Alternative A- Pollutants and Particulates may be increased during the reopening of the well. After the completion of the project pollutant and particulate levels should return to normal.

Alternative B- No Impact

7. VEGETATION COVER, QUANTITY AND QUALITY:

What changes would the action cause to vegetative communities? Consider rare plants or cover types that would be affected. Identify cumulative effects to vegetation.

Alternative A- No significant impact to the vegetative community is expected due to the proponent utilizing the existing pad site. Some site mowing may be necessary.
Alternative B- No Impact

8. TERRESTRIAL, AVIAN AND AQUATIC LIFE AND HABITATS:

Consider substantial habitat values and use of the area by wildlife, birds or fish. Identify cumulative effects to fish and wildlife.

Alternative A- The wildlife in the area may experience a minimal impact through the well being reinstated to producing status. The well is in an area with other producing wells so no significant impacts are expected.
Alternative B- No Impact

9. UNIQUE, ENDANGERED, FRAGILE OR LIMITED ENVIRONMENTAL RESOURCES:

Consider any federally listed threatened or endangered species or habitat identified in the project area. Determine effects to wetlands. Consider Sensitive Species or Species of special concern. Identify cumulative effects to these species and their habitat.

Alternative A- A search of the Montana Natural Heritage Database shows that the sensitive species Burrowing Owl had been noted in the general area in 1981. No observations of this species has been noted since that time. Due to the small scope and prior development of the site no significant impacts to this species is expected.
Alternative B- No Impact

10. HISTORICAL AND ARCHAEOLOGICAL SITES:

Identify and determine effects to historical, archaeological or paleontological resources.

Alternative A- Upon inspection of the parcels by the Eastern Land Office staff no significant findings were noted on this parcel. A search of the TLMS database shows no noted archeological or cultural sites on the tract.

Alternative B- No Impact

11. AESTHETICS:

Determine if the project is located on a prominent topographic feature, or may be visible from populated or scenic areas. What level of noise, light or visual change would be produced? Identify cumulative effects to aesthetics.

Alternative A- This will change the appearance of the landscape, through the addition of a pumping unit on the pad site and access road. Noise levels may be increased during the project but should return to normal after the completion. Should this project be abandoned the proponent will be responsible for the reclamation of the project site.

Alternative B- No Impact

12. DEMANDS ON ENVIRONMENTAL RESOURCES OF LAND, WATER, AIR OR ENERGY:
Determine the amount of limited resources the project would require. Identify other activities nearby that the project would affect. Identify cumulative effects to environmental resources.

Alternative A-This project may have an effect on the amount of limited resources in the area. The amount of oil to be extracted is currently unknown.

Alternative B- No Impact

13. OTHER ENVIRONMENTAL DOCUMENTS PERTINENT TO THE AREA:
List other studies, plans or projects on this tract. Determine cumulative impacts likely to occur as a result of current private, state or federal actions in the analysis area, and from future proposed state actions in the analysis area that are under MEPA review (scoped) or permitting review by any state agency.

None

IV. IMPACTS ON THE HUMAN POPULATION

- *RESOURCES potentially impacted are listed on the form, followed by common issues that would be considered.*
- *Explain POTENTIAL IMPACTS AND MITIGATIONS following each resource heading.*
- *Enter "NONE" If no impacts are identified or the resource is not present.*

14. HUMAN HEALTH AND SAFETY:
Identify any health and safety risks posed by the project.

Alternative A- There may be potential health and safety risks for laborers but the potential risk should minimal with proper safety efforts and training.

Alternative B- No Impact

15. INDUSTRIAL, COMMERCIAL AND AGRICULTURE ACTIVITIES AND PRODUCTION:
Identify how the project would add to or alter these activities.

Alternative A- It should have a positive effect on industrial and commercial activities in the area. Agricultural activities and production in the area should not be affected due to the pad site and road already existing.

Alternative B- No Impact

16. QUANTITY AND DISTRIBUTION OF EMPLOYMENT:
Estimate the number of jobs the project would create, move or eliminate. Identify cumulative effects to the employment market.

Alternative A- This project has the potential to create jobs with further development possibilities.

Alternative B- No Impact

17. LOCAL AND STATE TAX BASE AND TAX REVENUES:
Estimate tax revenue the project would create or eliminate. Identify cumulative effects to taxes and revenue.

Alternative A- Potential tax revenue is currently unknown at this time.

Alternative B- No Impact

18. DEMAND FOR GOVERNMENT SERVICES:

Estimate increases in traffic and changes to traffic patterns. What changes would be needed to fire protection, police, schools, etc.? Identify cumulative effects of this and other projects on government services

Alternative A- Traffic may be slightly increased to the general area. There should be no need for additional government services.

Alternative B- No Impact

19. LOCALLY ADOPTED ENVIRONMENTAL PLANS AND GOALS:

List State, County, City, USFS, BLM, Tribal, and other zoning or management plans, and identify how they would affect this project.

Alternative A- No significant Impact

Alternative B- No Impact

20. ACCESS TO AND QUALITY OF RECREATIONAL AND WILDERNESS ACTIVITIES:

Identify any wilderness or recreational areas nearby or access routes through this tract. Determine the effects of the project on recreational potential within the tract. Identify cumulative effects to recreational and wilderness activities.

Alternative A- Surface consists of private ownership. This project should not affect recreational opportunities on federal or state lands in the area.
Alternative B- No Impact

21. DENSITY AND DISTRIBUTION OF POPULATION AND HOUSING:

Estimate population changes and additional housing the project would require. Identify cumulative effects to population and housing.

Alternative A- No impact expected.

Alternative B- No Impact

22. SOCIAL STRUCTURES AND MORES:

Identify potential disruption of native or traditional lifestyles or communities.

Alternative A- No Impact Expected

Alternative B- No Impact

23. CULTURAL UNIQUENESS AND DIVERSITY:

How would the action affect any unique quality of the area?

Alternative A- No Impact Expected

Alternative B- No Impact

24. OTHER APPROPRIATE SOCIAL AND ECONOMIC CIRCUMSTANCES:

Estimate the return to the trust. Include appropriate economic analysis. Identify potential future uses for the analysis area other than existing management. Identify cumulative economic and social effects likely to occur as a result of the proposed action.

Alternative A- Allowing this project would generate revenue for the school trust through mineral royalties, the amount of which is currently unknown at this time.

Alternative B- No Impact. Potential revenue to the Trust would not be realized through increased mineral production.

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V. FINDING

25. ALTERNATIVE SELECTED:

Alternative A

26. SIGNIFICANCE OF POTENTIAL IMPACTS:

The granting of the request to resume production on the existing Denbury D-2 well should not result in nor cause significant environmental impacts. The predicted environmental impacts have been identified and mitigated through the current mineral lease stipulations. The predicted impacts will be adequately mitigated through the operation and reclamation plans. The proposed action satisfies the trusts fiduciary mandate and ensures the long term productivity of the land. An environmental assessment checklist is the appropriate level of analysis for the proposed action

27. NEED FOR FURTHER ENVIRONMENTAL ANALYSIS:

[ ]	EIS	[ ]	More Detailed EA	[X]	No Further Analysis

EA Checklist Approved By:	Name: Marc Aberg	
	Title: Eastern Land Office; Lands Program Manager	
Signature: /s/ Marc A. Aberg		Date: 11-5-2014